

FY 2014 Special Cost Studies Workpapers Special Services (Public Portion) USPS-FY14-28

I. PREFACE

USPS-FY14-28 documents the unit cost estimates for selected domestic Special Services, supplementing the cost information provided in USPS-FY14-1. These cost studies include: Address Management Services (including Correction of Mailing Lists and ZIP Coding of Mailing Lists), Caller Service, Certificate of Mailing, Change of Address Credit Card Authentication (Public Portion), USPS Tracking (Public Portion), Insurance, Money Order Inquiry and Money Order Float, Periodicals Applications, P.O. Box Key Replacement and Lock Changes, Restricted Delivery, Return Receipt, Signature Confirmation (Public Portion), Stamped Cards, Stamped Envelopes (including Personalized Stamped Envelopes Shipping), Stamp Fulfillment Services (Handling), and Stamp Fulfillment Services (Philatelic Products). Confirm was removed as a Market-Dominant product on February 19, 2013 by Order No. 2016, so Confirm is no longer included in this report.

B. Predecessor Documents

USPS-FY13-28

C. Methodology

USPS-FY14-28 relies on the Postal Regulatory Commission (PRC) cost methodology based on USPS-FY13-28.

D. Input/ Output

Generally, these cost studies use inputs from USPS-FY14-1, USPS-FY14-2, USPS-FY14-7, USPS-FY14-8, USPS-FY14-24, and USPS-FY14-25.

1. Address Management Services

This cost study is contained in the EXCEL file "AMS2014.xlsx." It contains the cost models and cost sheets that are used to develop Address Management Services costs. A Direct Labor Survey was conducted in FY14 to determine the number of hours spent by the employees and contractors for Address Management Services (AMS). Using the surveyed hours and appropriate wage rates, direct labor costs were calculated for FY14. The direct labor to total labor cost ratio is then calculated and applied to the total costs to derive AMS costs. The costs of AMS are reported in the D report (USPS-FY14-31).

2. Caller Service

This cost study is contained in the EXCEL file "Caller_Service2014.xlsx." It contains the cost models and cost sheets that are used to develop Caller Service costs.

3. Certificate of Mailing

This cost study is contained in the EXCEL file "Certificate_of_Mailing2014.xlsx." It contains the cost models and cost sheets that are used to develop Certificate of Mailing costs.

4. Change of Address Credit Card Authentication (Public Portion)

This cost study is contained in the EXCEL file "CreditCardPub2014.xlsx." It contains the cost models and cost sheets that are used to develop Change of Address Credit Card Authentication costs. The calculation in USPS-FY14-28 does not reflect the Revenue Agreement with Imagitas. As a result, the revenue and expense figures in USPS-FY14-28 cannot be used to calculate the cost coverage. The cost of Change of Address Credit Card Authentication is reported in the D report (USPS-FY14-31).

5. Correction of Mailing Lists

This cost study is contained in the EXCEL file "Correction_of_Mailing_Lists2014.xlsx." It contains the cost models and cost sheets that are used to develop Correction of Mailing Lists costs.

6. Insurance

This cost study is contained in the EXCEL file "Insurance_Costs2014.xlsx." It contains the cost models and cost sheets that are used to disaggregate Insurance costs.

7. Money Order Inquiry

This cost study is contained in the EXCEL file "Money_Order_Inquiry_and_Float2014.xlsx." The "Money Order Inquiry" sheet contains the cost models and cost sheets that are used to develop Money Order inquiry costs. The "ACTUAL TOTALS" sheet contains float information for money orders.

8. Periodicals Applications

This cost study is contained in the EXCEL file "Periodicals_App_Fee2014.xlsx." It contains the cost models and cost sheets that are used to develop Periodicals Application costs.

9. P.O. Box Key Replacement and Lock Changes

This cost study is contained in the EXCEL file "PO_Boxes2014.xlsx." It contains the cost models and cost sheets that are used to develop P.O. Box key replacement and lock change costs.

10. Restricted Delivery

This cost study is contained in the EXCEL file "Restricted_Delivery2014.xlsx." It contains the cost models and cost sheets that are used to develop Restricted Delivery costs.

11. Return Receipt

This cost study is contained in the EXCEL file "Return Receipt2014.xlsx." It contains the cost models and cost sheets that are used to develop Return Receipt costs.

12. Signature Confirmation (Public Portion)

This cost study is contained in the EXCEL file "SigConPub-FY 2014.xlsx." It contains the cost models and cost sheets that are used to develop Signature Confirmation costs.

13. Stamped Cards

This cost study is contained in the EXCEL file "Stamped Cards2014.xlsx". It contains the cost models and cost sheets that are used to develop Stamped Card costs.

14. Stamped Envelopes Transportation

This cost study is contained in the EXCEL file “Stamped Envelopes2014.xlsx.” It contains the cost models and cost sheets that are used to develop Stamped Envelope costs.

15. Stamped Envelopes (Personalized Stamped Envelope Shipping Costs)

This cost study is contained in the EXCEL file “Stamped Envelopes PSES2014.xlsx.” It contains the cost models and cost sheets that are used to develop Personalized Stamped Envelope shipping costs. The Personalized Stamped Envelope shipping costs are reported in the D report (USPS-FY14-31).

16. Stamp Fulfillment Services (Handling)

This cost study is contained in the EXCEL file “SFS Handling2014.xlsx.” It contains the cost models and cost sheets that are used to develop Stamp Fulfillment Services (Handling) costs. The cost of Stamp Fulfillment Services (Handling) is reported in the D report (USPS-FY14-31).

17. Stamp Fulfillment Services (Philatelic Products)

This cost study is contained in the EXCEL file “Philatelic Sales2014.xlsx.” It contains the cost models and cost sheets that are used to develop Stamp Fulfillment Services (Philatelic Products) costs. The cost of Stamp Fulfillment Services (Philatelic Products) is also reported in USPS-FY13-NP27.

18. USPS Tracking

The EXCEL file “USPS TrackingPub-FY2014.xlsx.” contains the public portion of the cost model for USPS Tracking. In response to a USPS proposal in Docket No. RM2014-6 to change the treatment of the USPS Tracking costs, the Postal Regulatory Commission issued Order No. 2180 (Sept. 10, 2014), stating:

“The Commission also finds that eliminating the final adjustment for USPS Tracking from the CRA “D” report and moving the proposed methodology into the CRA “B” report simplifies the procedure for calculating product attributable costs reported in the CRA “C” report. Because the Commission finds that this change eliminates the need to include USPS Tracking final adjustments in the CRA “D” report, it also finds that the USPS Tracking cost model (in USPS-FY13-NP26) used to calculate the distribution of USPS Tracking costs to the host product is no longer necessary.”

As a result, the spreadsheets in “USPS TrackingPub-FY2014.xlsx ” no longer include the analysis required to transfer costs from Other Ancillary Services to the host products.

19. ZIP Coding of Mailing Lists

This cost study is contained in the EXCEL file “Zip Coding of Mailing Lists2014.xlsx.” It contains the cost models and cost sheets that are used to develop ZIP Coding of Mailing Lists costs.